

NAVRESREDCOMREGTHIRTEENINST 7010.1E
Code N41
17 Mar 98

NAVRESREDCOMREGTHIRTEEN INSTRUCTION 7010.1E

Subj: ESTABLISHMENT AND ADMINISTRATION OF RESERVE CENTER
RECREATION FUNDS

Ref: (a) COMNAVRESFORINST 7010.2B
(b) NAVRESREDCOMREGTHIRTEENINST 5200.2D
(c) BUPERSINST 1710.11B
(d) NAVSO P3520
(e) BUPERSINST 7510.1
(f) NAVRESREDCOMREGTHIRTEENINST 11300.4B

Encl: (1) NAVCOMPT Form 2213
(2) NAVSUP Form 306
(3) Sample Consolidated Property Listing
(4) NAVCOMPT Form 744
(5) NAVCOMPT Form 2212
(6) Sample DD Form 1342
(7) Sample Two Party Money Count Sheet
(8) Profit Sharing Formula

1. Purpose. To establish and issue supplemental instructions, procedural guidelines and policies for the establishment and administration of Reserve Center (RESCEN) Unit Recreational Funds under the cognizance of the Commander, Naval Reserve Readiness Command Region Thirteen (REDCOM 13).

2. Cancellation. NAVRESREDCOMREGTHIRTEENINST 7010.1D.

3. Policy and Procedures. Compliance with the provisions and policies of references (a) through (f) and this instruction is directed for all REDCOM 13 activities. It is the policy of REDCOM 13 to provide recreation needs of assigned Naval personnel. Common uses of the fund include the purchase of minor sports/recreational equipment, maintenance of minor recreation equipment, books, magazines, newspapers and entertainment. Expenditures should yield tangible recreation benefits. These funds should not be used primarily for parties and picnics.

4. Fund Establishment Approval Authority. Procedures to request authority to establish a Unit Recreation Fund are contained in reference (a).

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5. Responsibility. The effective operation and administration of recreation programs is the responsibility of the chain of command.

a. Commander, Naval Air Reserve Force (COMNAVAIRESFOR). COMNAVAIRESFOR (Code N463), provides overall coordination and administration of recreation programs within the Reserve claimancy.

b. Commander, Naval Reserve Readiness Command Region Thirteen (REDCOM 13). REDCOM 13 (Code N4) will review and inspect unit recreation funds to ensure proper management and financial accountability. Further, REDCOM 13 will provide additional assistance and guidance on request, or when deemed necessary for other reasons.

c. Fund Administrator. RESCEN commanding officers having unit recreation funds are designated Fund Administrators. They have jurisdiction over, and are responsible for the establishment, administration, operation, and financial condition (including solvency, stability, and dissolution), of the recreation fund and will:

(1) Review and evaluate financial statements and, where applicable, forward them as directed to higher authority.

(2) Effect corrective action on recommendations made by an audit board as directed by reference (b).

(3) Approve all recommendations of the Recreation Council/Committee/Board, in writing, prior to expenditure of Recreation Funds. Disapprove any recommendations of the Recreation Council/Committee/Board, in writing, which are deemed not to be in the best interest of the Navy or are not authorized as outlined in reference (c).

(4) Personally approve and sign all checks involving the expenditure of recreation funds. No checks are to be written to "Cash" or to any individual staff member. (The only exception is in the case of a loan for a substantiated personal financial hardship, only after certification that the loan meets Red Cross verification criteria. This certification must be in writing and retained in the recreation fund's general files.)

(5) Designate a Recreation Fund Custodian in writing, specifying accountability, records keeping, and proper administration of the fund.

(6) Designate a Recreation Council/Committee/Board in writing. At the discretion of the Fund Administrator, commands that cannot support a council and a committee, may form a Recreation Board that will function in the same manner as the council/committee. The board must constitute a representative mix of officer, enlisted, age group, and male/female personnel, as appropriate, and ensure attention to the interests of ethnic and minority groups. Each member of the board has one equal vote. Majority rules on recommendations.

(7) Designate a Recreation Property Custodian in writing. This individual may be the Recreation Fund Custodian.

d. Recreation Fund Custodian. The Recreation Funds Custodian will have possession, be knowledgeable of, and maintain all of the required publications, directives, files and ledgers pertaining to the Recreation Fund, including when authorized or directed by the Fund Administrator, the checkbook. The Recreation Fund Custodian cannot be any member assigned to appropriated fund administration responsibilities, i.e., the Storekeeper. In addition to the above, The Recreation Fund Custodian will perform the following specific duties:

(1) Set up and maintain a receipt and expenditure record that will be retained for the life of the recreation fund in the format prescribed in reference (d).

(2) Prepare a Purchase Order, NAVCOMPT Form 2213, prior to any expenditure of recreation funds. Enclosure (1) provides a sample.

(3) Obtain and retain an itemized invoice/receipt slip/cash register tape/delivery ticket for each expenditure of recreation funds from the vendor. This proof of purchase will be attached to the Price Solicitation/Purchase Order Approval form, NAVCOMPT Form 2213. Check numbers and dates will be entered on each ticket or invoice for the purpose of cross-referencing and audit implication.

(4) Ensure that no purchases are made with cash. All expenditures of recreation funds will be accomplished by check.

(5) Ensure that each transaction is supported by written recommendation from the Recreation Council/Committee/Board and written approval is received from the Fund Administrator.

(6) Reconcile and balance the monthly bank statements upon receipt.

(7) In case of loss of funds, the custodian will be required to reimburse the fund only when it appears, by affirmative evidence, that the custodian did not exercise due care and diligence.

(8) Submit a financial statement to the Recreation Council/Committee/Board at the scheduled meeting for review and information.

6. Recreation Property Management. There are three categories of recreation property: (1) Non-expendable. This equipment has an acquisition value of over \$1,000 is not consumed in its use, and has a life expectancy of more than two years (e.g. pool table, boat, universal gym equipment, etc). (2) Expendable. This equipment has an acquisition value of under \$1,000, is not consumed in its use and has a life expectancy of more than two years (e.g. TV, microwave, ping pong table, golf clubs, etc). (3) Consumable minor recreation equipment. The equipment has an acquisition value of less than \$100.00, may be consumed in its use, but normally has a life expectancy of more than two years (e.g. bats, balls, gloves, weight belts, tennis rackets, etc).

a. Each piece of nonexpendable and expendable equipment will be recorded on a Stock Record, NAVCOMPT Form 742-1, or a Controlled Equipage Custody Record Card, NAVSUP Form 306, (see enclosure (2) for an example.)

b. Each piece of nonexpendable and expendable equipment will be marked "MWR Property" and will have a unique inventory number affixed permanently to it (normally the same numbers as the consolidated property record).

c. Consumable minor recreation property will be recorded on a consolidated property listing and kept in the binder with the consolidated property record cards, (see sample in enclosure (3)).

d. All recreation property will be inventoried at least annually.

e. A signed Custody Receipt, NAVCOMPT Form 744, will be obtained from each individual borrowing property without charge, (see enclosure (4) for example). This receipt will be returned to the individual when the property is returned.

f. Disposal of excess recreation property.

(1) Usable equipment no longer required by the recreation program will be used as a trade-in for the purchase of like items or be made available for no cost transfer to another activity within REDCOM 13.

(2) Should such redistribution not be feasible, the excess property may be sold to interested individuals through a sealed bid procedures to active duty personnel as directed in reference (c).

(3) In no instance shall property purchased with recreation funds be donated to any individual or non-naval organization.

g. Disposal of unserviceable recreation property.

(1) Property with an acquisition value of \$300 or more will be transferred to the nearest Defense Reutilization Management Officer (disposal).

(2) Property with an acquisition value of less than \$300 will be destroyed. Two persons shall witness the disposal and verify the destruction in writing.

(3) Nonexpendable or expendable property will not be removed from the records until a Certificate of Disposition, NAVCOMPT Form 2212, is approved by the commanding officer. See sample in enclosure (5).

h. Insurance and Self-Insurance. CHNAVPERS is authorized to purchase insurance or to self-insure the various exposures to loss. Presently, all coverages are provided by self-insurance. Self-insurance means the funds are set aside within NAVPERSCOM central funds to pay losses.

(1) CHNAVPERS (PERS-653) Casualty Insurance Program provides all the coverage necessary for recreation vehicles

(cars, vans, trucks, buses, etc) and special purpose recreation vehicles, snowmobiles, power cycles, trailers including camping and boats, etc).

(2) To be eligible for coverage, recreation vehicles and special purpose recreation vehicles must be purchases with non-appropriated funds and be assigned a USN registration number by PERS-653. Note: USN registration numbers are not assigned to boats. The boating registration requirements of the respective state should be followed.

(3) Requests for USN registration numbers for vehicles (including special purpose) not previously registered shall be submitted in accordance with enclosure (7), paragraph 5(f) of reference (c), (see enclosure (6) for an example).

(4) Recreation vehicle insurance coverage and accident reporting is described in reference (e).

7. General Administration

a. Unit Allocations. Requests for annual allocations shall be submitted at the beginning of the fiscal year via the chain of command to COMNAVAIRESFOR Code N463). Requests must indicate the number of active duty Navy personnel assigned, including students. The current allocation rate is \$25 per active duty student/person per year.

b. Special Grants. Non-appropriated fund assistance to purchase recreation equipment for which local funds are not available may be requested from COMNAVAIRESFOR (Code N463) via the chain of command. Requests for equipment must include justification, including details on steps taken to obtain such equipment through appropriated funds. Justification requirements are outlined in reference (b).

c. Vending Machines and Amusement Games. Vending Machines and amusement games may either be owned by the Unit Recreation Fund or owned by private vendors. Regardless of who owns the machines, Fund Administrators will adhere to the following strict provisions:

(1) Vending machines and/or bulk vending machine supply storerooms will not be opened for any purpose unless two or more members are present when they are opened, one of which must be the Recreation Fund Custodian.

(2) Money counts and deposit preparations are to be documented showing that two parties counted the money, see sample format shown in enclosure (7). All funds received particularly those removed from vending machines and amusement games, will be documented in the presence of at least two Recreation Fund members, one of whom must be the Recreation Fund Custodian.

(3) Deposits of cash into the Recreation Fund's bank account should be at least monthly or more often when cash on hand exceeds \$100.

(4) An authenticated receipt shall be obtained from the bank for each deposit and shall be retained on file as part of the official records.

(5) Per reference (f), machines owned by private vendors will reimburse the government a flat monthly rate payable not later than the 15th day of the first month of each quarter.

(6) Per reference (a), profits from non-exchange operated vending machines and amusement machines at Naval and Marine Corps Reserve Centers will be distributed to each tenant on a pro-rated strength basis. The Navy and Marine Corps developed a formula (see enclosure (8)) to provide equitable profit distribution to participating Navy and Marine Corps units. The formula provides for the inclusion of drilling reservists and assigned full-time support personnel within the profit distribution plan.

d. Change Funds. The commanding officer is authorized to establish a change fund, if needed. The change fund must be authorized in writing specifying the amount authorized. Depending on the size of the RESCEN, no more than \$25 should be authorized.

(1) This fund will be for the purpose of making change only. Other expenditures from the change fund is prohibited.

(2) The entire change fund must be available for audit and/or verification at all times (change and dollar bills must add up to the authorized amount).

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(3) A surprise audit by a member of the Recreation Fund Board must be held at least quarterly. This audit will be reported to the commanding officer in writing. A copy of the audit must be held in the Recreation Funds records.

e. Internal Review Officer. The commanding officer will designate in writing an officer to perform an audit on the Recreation Fund during the month of June as directed in reference (b). Areas considered most vulnerable are cash collection, basic procurement and receiving operations, change fund, basic bookkeeping procedures, bank deposit procedures, and reconciliation of bank statements.

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Distribution:
NAVRESREDCOMREGTHIRTEENINST 5605.1S
List D (RESCENS)

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